

DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION IN U.S. DISTRICT COURT

BY: ☐ COMPLAINT ☐ INFORMATION ☒ INDICTMENT
☐ OFFENSE CHARGED ☒ SUPERSEDING

18 U.S.C. § 1956(h) -- Conspiracy to Commit Money Laundering;
 18 U.S.C. § 1956(a)(2) -- Money Laundering;
 18 U.S.C. § 1056(a)(1)(B) -- Money Laundering;
 18 U.S.C. § 2314 - Transportation of Stolen Property

☐ Petty
☐ Minor
☐ Misdemeanor
☒ Felony

PENALTY:

See attached sheet for penalties

PROCEEDING

Name of Complainant Agency, or Person (& Title, if any)

☐ person is awaiting trial in another Federal or State Court, give name of court

☐ this person/proceeding is transferred from another district per (circle one) FRCrP 20, 21 or 40. Show District

☐ this is a reprosecution of charges previously dismissed which were dismissed on

☐ U.S. Att'y ☐ Defense

☒ this prosecution relates to a pending case involving this same defendant

☐ prior proceedings or appearance(s) before U.S. Magistrate regarding this defendant were recorded under

SHOW
DOCKET NO.

CR99-122MJJ

MAGISTRATE
CASE NO.

Name and Office of Person
Furnishing Information on
THIS FORM

ROBERT S. MUELLER, III

☒ U.S. Att'y ☐ Other U.S. Agency

Name of Asst. U.S. Att'y
(if assigned)

Martha A. Boersch

Name of District Court, and/or Judge/Magistrate Location
NORTHERN DISTRICT OF CALIFORNIA
San Francisco Venue

DEFENDANT - U.S.

PAVEL IVANOVICH LAZARENKO

DISTRICT COURT NUMBER

CR 00-0284-MJJ

DEFENDANT

IS NOT IN CUSTODY

- 1) ☐ Has not been arrested, pending outcome this proceeding. If not detained give date any prior summons was served on above charges
- 2) ☐ Is a Fugitive
- 3) ☐ Is on Bail or Release from (show District)

IS IN CUSTODY

- 4) ☒ On this charge
- 5) ☐ On another conviction
- 6) ☐ Awaiting trial on other } ☐ Fed'l ☐ State

If answer to (6) is "Yes", show name of institution

Has detainer been filed? ☐ Yes ☐ No } If "Yes" give date filed

DATE OF
ARREST

Month/Day/Year

Or... if Arresting Agency & Warrant were not

DATE TRANSFERRED
TO U.S. CUSTODY

Month/Day/Year

☐ This report amends AO 257 previously submitted

ADDITIONAL INFORMATION OR COMMENTS

PROCESS:

☐ SUMMONS ☒ NO PROCESS*

☐ WARRANT Bail Amount: _____

If Summons, complete following:

☐ Arraignment ☐ Initial Appearance

Defendant Address: _____

*Where defendant previously apprehended on complaint, no new summons or warrant needed, since Magistrate has scheduled arraignment

Date/Time: _____

Before Judge: _____

Comments: _____

PENALTY SHEET**COUNTS ONE THROUGH EIGHT**

Up to 20 years imprisonment
\$500,000 fine or twice the value of the funds involved
3-year term of supervised release
\$100 special assessment
Restitution

COUNTS NINE THROUGH THIRTY-ONE

Up to 10 years imprisonment
\$250,000 fine
3-year term of supervised release
\$100 special assessment
Restitution

FORFEITURE

See Forfeiture Allegation

ATTACHMENT 1

DESCRIPTION

All that certain real property situate in the City of Novato, County of Marin, State of California, described as follows:

PARCEL ONE:

PARCEL 440, as shown upon that certain parcel map entitled, "Parcel Map of Subdivision of Lots 435, 436, 437 & 438, Marin Golf and Country Club Estates Unit No. 7", filed for record October 5, 1978 in Book 15 of Parcel Maps, at Page 72, Marin County Records.

EXCEPTING THEREFROM the following described parcel:

THAT portion of the lands of Charles R. and Sun P. Stephens as to a 96% interest and Michael Brian Stephens as to a 4% interest as described by Deed recorded under Document Number 93-112189 being a portion of Lot 440 as shown on that certain Parcel Map recorded in Book 15 of Parcel Maps, at Page 72, Marin County Records, being more particularly described as follows:

BEGINNING at the Southeasterly corner of said Lot 440 witnessed by a found 3/4" Iron Pipe tagged R.C.E. 11629; thence South 75° 40' 46" West 454.36 feet (South 75° 44' 00" West 454.49 feet) to the Southwesterly corner of Lot 440, witnessed by a found 3/4" Iron Pipe tagged R.C.E. 11629; thence along the Westerly line of Lot 440 North 22° 27' 32" West (North 22° 24' 05" West) 60.00 feet to a set 3/4" Iron Pipe; thence parallel with the Southerly line of Lot 440 North 75° 40' 46" East 437.69 feet to a set 3/4" Iron Pipe on the Easterly line of Lot 440; thence South 37° 16' 42" East 64.51 feet (South 37° 11' 00" East 64.53 feet) to the Southeasterly corner of Lot 440 and being the point of beginning.

BEARINGS are based on found street monuments of said 15 Parcel Map 72, having a radius of 105.00 feet, a central angle of 190° 57' 00", an arc length of 349.93 feet, bearing North 88° 50' 30" East 209.04 feet. All set 3/4" Iron Pipes are tagged L.S. 5970.

PARCEL TWO:

LOT 434, as shown upon that certain map entitled, "Map of Marin Golf and Country Club Estates Unit No. 7, City of Novato, County of Marin, State of California", filed for record April 13, 1977 in Volume 16 of Maps, at Page 92, Marin County Records.

EXCEPTING THEREFROM the following described parcel:

THAT portion of the lands of Charles R. and Sun P. Stephens as to a 96% interest and Michael Brian Stephens as to a 4% interest as described by Deed recorded under Document Number 93-112189 being a portion of Lot 434 as shown on that certain Record Map recorded in Book 16 of Maps, at Page 92, Marin County Records, being more particularly described as follows:

continues on the following page.....

DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION IN U.S. DISTRICT COURT
 BY: ☐ COMPLAINT ☐ INFORMATION ☒ INDICTMENT
☐ SUPPLEMENTARY ☒ SUPERSEDING
OFFENSE CHARGED

18 U.S.C. § 1956(h)--Conspiracy to Commit Money Laundering;

18 U.S.C. § 1956(a)(2)--Money Laundering;

18 U.S.C. § 1343--Wire Fraud;

18 U.S.C. § 2314--Transportation of Stolen Property;

18 U.S.C. Section 2--Aiding and Abetting

PENALTY:

See attached sheet for penalties

☐ Petty
☐ Minor
☐ Misdemeanor
☒ Felony
PROCEEDING

Name of Complainant Agency, or Person (& Title, if any)

☐ person is awaiting trial in another Federal or State Court, give name of court

☐ this person/proceeding is transferred from another district per (circle one) FRCrP 20, 21 or 40. Show District

☐ this is a reprosecution of charges previously dismissed on which were dismissed on

SHOW DOCKET NO.

CR99-122MJJ

MAGISTRATE CASE NO.

☐ U.S. Att'y ☐ Defense

☒ this prosecution relates to a pending case involving this same defendant

☐ prior proceedings or appearance(s) before U.S. Magistrate regarding this defendant were recorded under

 Name and Office of Person
 Furnishing Information on
 THIS FORM

ROBERT S. MUELLER, III

☒ U.S. Att'y ☐ Other U.S. Agency

 Name of Asst. U.S. Att'y
 (if assigned)

Martha A. Boersch

 Name of District Court, and/or Judge/Magistrate Location
 NORTHERN DISTRICT OF CALIFORNIA
 San Francisco Venue

DEFENDANT

PAVEL VANDOVICH LAZARENKO

DISTRICT COURT NUMBER

CR 00-0284-MJJ

DEFENDANT**IS NOT IN CUSTODY**

- 1) ☐ Has not been arrested, pending outcome this proceeding.
 If not detained give date any prior summons was served on above charges
- 2) ☐ Is a Fugitive
- 3) ☐ Is on Bail or Release from (show District)

IS IN CUSTODY

- 4) ☒ On this charge
- 5) ☐ On another conviction
- 6) ☐ Awaiting trial on other } ☐ Fed'l ☐ State

If answer to (6) is "Yes", show name of institution

 Has detainer
 been filed?

☐ Yes
☐ No

 If "Yes"
 give date
 filed

 DATE OF
 ARREST

Month/Day/Year

Or... if Arresting Agency & Warrant were not

Month/Day/Year

 DATE TRANSFERRED
 TO U.S. CUSTODY

☐ This report amends AO 257 previously submitted
ADDITIONAL INFORMATION OR COMMENTS**PROCESS:**
☐ SUMMONS ☒ NO PROCESS*

☐ WARRANT Bail Amount:

If Summons, complete following:

☐ Arraignment ☐ Initial Appearance

Defendant Address:

 *Where defendant previously apprehended on complaint, no new summons
 or warrant needed, since Magistrate has scheduled arraignment

Date/Time:

Before Judge:

Comments:

PENALTY SHEET

COUNTS ONE THROUGH EIGHT (18 U.S.C. § 1956)

Up to 20 years imprisonment
\$500,000 fine or twice the value of the funds involved
3-year term of supervised release
\$100 special assessment
Restitution

COUNTS NINE THROUGH THIRTY (18 U.S.C. § 1343)

Up to 5 years imprisonment
\$250,000 fine
3-year term of supervised release
\$100 special assessment
Restitution

COUNTS THIRTY-ONE THROUGH FIFTY-THREE (18 U.S.C. § 2314)

Up to 10 years imprisonment
\$250,000 fine
3-year term of supervised release
\$100 special assessment
Restitution

FORFEITURE

See Forfeiture Allegation

United States District Court

FOR THE
NORTHERN DISTRICT OF CALIFORNIA
CRIMINAL DIVISION
VENUE: SAN FRANCISCO

FILED
NOV-1 AM 9:42 M
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,
v.

PAVEL IVANOVICH LAZARENKO

DEFENDANT.

INDICTMENT

18 U.S.C. § 1956(h) -- Conspiracy to Commit Money Laundering; 18 U.S.C. §
1956(a)(2) -- Money Laundering; 18 U.S.C. § 1056(a)(1)(B) -- Money
Laundering; 18 U.S.C. § 2314 -- Transportation of Stolen Property

A true bill.

Spiller
Foreman

Filed in open court this 30th day of

November 2000
H. Scott
Clerk

Remain in process
Bail, \$ *immense*

ROBERT S. MUELLER, III (CSBN 59775)
United States Attorney

FILED
2000-12-01 10:40
EDWARD B. LEE
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

v.

PAVEL IVANOVICH LAZARENKO,
a/k/a "Pavlo Ivanovych Lazarenko,"

Defendant.

No. CR 00-0284-MJJ

VIOLATIONS: Title 18, United States Code, Section 1956(h) – Conspiracy to Commit Money Laundering; Title 18, United States Code, Section 1956(a)(2) – Money Laundering; Title 18, United States Code, Section 1956(a)(1)(B) – Money Laundering; Title 18, United States Code, Section 2384 – Transportation of Stolen Property; Title 18, United States Code, Section 2 – Aiding and Abetting

SAN FRANCISCO VENUE

SUPERSEDING INDICTMENT

I. INTRODUCTION

1. At all times relevant to this Indictment, Pavel Ivanovich Lazarenko, a/k/a/ "Pavlo Ivanovych Lazarenko" (hereinafter "Lazarenko"), was a citizen and resident of Ukraine.

2. At all times relevant to this Indictment, Peter Nikolayevich Kiritchenko (hereinafter "Kiritchenko") was a citizen of Ukraine and a resident of Poland and the United States.

3. From March of 1992 through June of 1994, Lazarenko was a representative of the President of Ukraine in the Dnepropetrovsk District of Ukraine.

4. From June of 1994 through July of 1995, Lazarenko was the Chairman of the

[Handwritten signature]

1 Dnepropetrovsk District Council of People's Deputies.

2 5. From July of 1995 through September of 1995, Lazarenko was the Head of the
3 Dnepropetrovsk District government.

4 6. From September of 1995 through May of 1996, Lazarenko was the First Deputy
5 Vice Prime Minister of Ukraine.

6 7. On May 28, 1996, Lazarenko became the Prime Minister of Ukraine, a position he
7 held until July 1, 1997.

8 8. After July 1, 1997, Lazarenko became a member of the Ukrainian Parliament and the
9 head of the Hromada Party.

10 9. On September 14, 1995, Kiritchenko was named an advisor to Lazarenko, who at
11 the time was First Deputy Prime Minister, by Directive No. 586 of the Ukrainian Cabinet of
12 Ministers.

13 10. On July 12, 1996, Kiritchenko was named as an advisor to then-Prime Minister
14 Lazarenko by Ukrainian Cabinet of Ministers Directive 596. He served as an advisor until he
15 and Lazarenko were dismissed by Ukrainian Cabinet of Ministers Directive 677 on July 3, 1997.

16
17 **COUNT ONE: (18 U.S.C. § 1956(h) -- Conspiracy to Commit Money Laundering)**

18 11. The allegations set forth in Paragraphs One through Ten of this Superseding
19 Indictment are hereby incorporated by reference.

20 12. On or about and between January 1992 and June 1999, both dates being approximate
21 and inclusive, in the Northern District of California, and elsewhere, the defendant

22 PAVEL IVANOVICH LAZARENKO,
23 a/k/a "Pavlo Ivanovych Lazarenko,"

24 together with Peter Nickolayevich Kiritchenko and others, did knowingly and intentionally
25 conspire to conduct and attempt to conduct financial transactions affecting interstate and foreign
26 commerce, which transactions involved the proceeds of specified unlawful activity, to wit:
27 receipt and transfer of property that was stolen, unlawfully converted, and taken by fraud in
28 violation of 18 U.S.C. § 2314 and 2315; extortion as specified in 18 U.S.C. § 1956(c)(7)(B)(ii);
and wire fraud in violation of 18 U.S.C. § 1343, knowing that the transactions were designed in

whole or in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of the specified unlawful activity, and that while conducting and attempting to conduct such financial transactions knew that the property involved in the financial transactions represented the proceeds of some form of unlawful activity, in violation of 18 U.S.C. §1956(a)(1).

II. THE MANNER AND MEANS OF THE CONSPIRACY

A. The Extortion and Frauds

1. The Extortion

13. It was part of the conspiracy that Lazarenko, while a government official in Ukraine, obtained property, including money, from individuals and entities with their consent, induced by wrongful use of actual or threatened fear of economic harm, and under color of official right.

a. For instance, beginning sometime in 1992, Lazarenko, while a government official in Ukraine, met with Kiritchenko, who was doing business in Ukraine, and induced Kiritchenko to transfer to a relative of Lazarenko's a 50% interest in Kiritchenko's business in Ukraine and to pay Lazarenko 50% of the profits of the business.

b. Thereafter, Kiritchenko transferred over \$20,000,000 to accounts controlled by Lazarenko as Lazarenko's 50% "share" of the profits of Kiritchenko's businesses in Ukraine.

2. The Frauds

a. Lazarenko Defrauded Ukraine

14. It was further part of the conspiracy that Lazarenko, while a government official in Ukraine, defrauded the people and government of Ukraine of their right to his honest services and of money and property in the following manner:

a. Lazarenko, while a government official in Ukraine, received property, including money, from individuals and entities doing business with Ukrainian state enterprises, including, but not limited to, GHP Corporation, Agrosnabsbyt, Naukovy State Farm, Somolli Enterprises, and United Energy Systems of Ukraine ("UESU"), and he did not disclose to the people or the government of Ukraine that he had obtained property, including money, from

1 individuals and companies doing business with Ukrainian state enterprises.

2 b. Lazarenko, while a government official in Ukraine, exercised his official
3 authority to influence the grant of certain government benefits and privileges to various
4 individuals and entities, including, but not limited to, GHP Corporation, Agrosnabsbyt, Naukovy
5 State Farm, Somolli Enterprises, and United Energy Systems of Ukraine ("UESU"), from which
6 individuals and entities he was receiving property, including money, and did not disclose to the
7 people or the government of Ukraine that he was receiving property, including money, from
8 individuals and entities in favor of whom he had exercised his official authority;

9 **b. Lazarenko Received Money From Fraudulent Schemes**

10 15. It was part of the conspiracy that Lazarenko, while a government official in
11 Ukraine, received money that was the proceeds of fraud from individuals and entities doing
12 business in Ukraine:

13 **1) The Naukovy Fraud**

14 a. Lazarenko, while a government official in Ukraine, received money derived
15 from fraud from Mykhola Agafonov, who was the chief administrator of Naukovy State Farm, a
16 government enterprise, as follows:

17 1) Lazarenko, while a government official in Ukraine, exercised his
18 official authority to ensure that Naukovy State Farm received various benefits and privileges
19 from the government of Ukraine, including the right to export metal products and raw materials
20 produced by Ukrainian state enterprises.

21 2) Agafonov then exercised the right to export metal products and raw
22 materials by entering into a series of agreements with Van der Ploeg Von Terpstra, B.V., in
23 Leeuwarden, The Netherlands, for the purchase of cattle and other related supplies by Naukovy
24 State Farm, pursuant to which the cattle and other related supplies were to be paid for in part
25 with Ukrainian government funds and in part from the proceeds of the sale of metal products and
26 raw materials exported from Ukraine.

27 3) After the metal products and raw materials were exported from
28 Ukraine and sold, the proceeds from the sale of metal products and raw materials exceeded the

1 actual purchase price of the cattle and other related supplies.

2 4) Agafonov caused the preparation of false contracts in which the value
3 of the cattle was fraudulently inflated to account for most of the excess funds received by him
4 from the sale of metal products and raw materials.

5 5) Agafonov caused these false contracts to be presented to Naukovy
6 State Farm, thereby falsely representing that the entire proceeds from the sale of metal products
7 and raw materials had been used to purchase the cattle and other related supplies, whereas in fact
8 the excess money received from the sale of metal products and raw materials was fraudulently
9 converted by Agafonov and was not returned to Naukovy State Farm or to Ukraine.

10 6) Agafonov caused the deposit of approximately \$34,000,000 received
11 from the sale of metal products and raw materials into an account at ABN-AMRO Bank,
12 disbursements from which account he controlled.

13 7) Of the approximately \$34,000,000 that were deposited into the ABN-
14 AMRO account from the sale of metal products and raw materials, Agafonov transferred
15 approximately \$20,000,000 into personal accounts belonging to himself, his associates, and
16 Lazarenko, including a transfer of \$1,205,000 to Account No. 502.607.03L in the name of LIP
17 Handel A.G., in Fribourg, Switzerland; a transfer of \$2,972,000 and \$4,000,000 to Account No.
18 08-05785-3 in the name of KATO-82 at Credit Lyonnais Bank in Zurich, Switzerland; and a
19 transfer of \$6,014,000 to Account No. 21383 at Banque Populaire Suisse in the name of
20 ORPHIN, S.A., which was subsequently transferred to Account No. 21768 in the name of
21 NIHPRO at Banque Populaire Suisse controlled by Lazarenko.

22 2) The UESU Frauds

23 b. Lazarenko received money that was the proceeds of schemes to defraud
24 committed by the owners and principals of United Energy International, Ltd. ("UEIL"), United
25 Energy Systems of Ukraine ("UESU") and Somolli Enterprises, Inc., which were related
26 companies doing business in Ukraine and with Ukrainian state enterprises, as follows:

27 1) Lazarenko, in his official capacity, promoted the operations of
28 UESU and its related companies by, among other things, ensuring that UESU had a near

1 monopoly right to distribute natural gas to certain commercial enterprises in the Dniepropetrovsk
2 region of Ukraine and by causing the Ukrainian government to pledge to use state funds to repay
3 the debts of UESU payable to RAO Gazprom, the supplier of Russian natural gas to Ukraine.

4 2) UESU fraudulently diverted to foreign bank accounts belonging to
5 UEIL the payments from Ukrainian customers for the natural gas delivered by UESU, and
6 thereafter failed to pay RAO Gazprom for the natural gas.

7 3) Between 1996 and 1997, UEIL transferred approximately
8 \$50,000,000 to Somolli Enterprises, a Cypriot company controlled by the same individuals who
9 controlled UESU.

10 4) In 1996 Somolli Enterprises transferred the following sums: a)
11 approximately \$50,000,000 into Account No. 024/10/61310/00 at AmerBank in Poland in the
12 name of ORPHIN S.A.; b) approximately \$14,000,000 into Account No. 5451 in the name of
13 WILNORTH; c) approximately \$23,000,000 into Account No. 21383 at Banque Populaire
14 Suisse in the name of ORPHIN, S.A.; and d) approximately \$14,000,000 to European Federal
15 Credit Bank correspondent Account No. 1150-645039 at Pacific Bank in San Francisco for credit
16 to Account No. 151897 in the name of ORPHIN, S.A.; all of which were accounts controlled by
17 Peter Kiritchenko. Thereafter the money was transferred into accounts controlled by Lazarenko,
18 including Account No. Account No. 08-05785-3 in the name of KATO-82 at Credit Lyonnais in
19 Zurich, Switzerland; Account No. 5353 in the name of CARPO-53 at Bank SCS Alliance in
20 Geneva, Switzerland; as well as into accounts at European Federal Credit Bank and other
21 accounts.

22 **3) The PMH/GHP Fraud**

23 c. Lazarenko received money derived from fraud from GHP Corporation;

24 1) Lazarenko, while a government official in Ukraine, exercised his
25 official authority in favor of GHP Corporation by ensuring that the Ukrainian Cabinet of
26 Ministers entered a contract with GHP Corporation for the purchase of six prefabricated homes.

27 2) GHP Corporation entered into a contract with the Ukrainian Cabinet of
28 Ministers in which GHP Corporation agreed to sell six prefabricated homes for a total price of

1 \$1,416,000.

2 3) GHP Corporation entered into a second contract with Pacific Modern
3 Homes ("PMH") in which GHP Corporation agreed to purchase six prefabricated homes for a
4 total price of \$524,763, to be shipped to the Ukrainian Cabinet of Ministers by PMH.

5 4) When the homes were delivered to Ukraine, representatives of GHP
6 Corporation presented false invoices to the Kiev Regional Customshouse to make it appear as
7 though GHP Corporation was the shipper of the homes and had paid \$1,416,000, as provided in
8 the contract between GHP Corporation and the Ukrainian Cabinet of Ministers, when in fact
9 PMH had shipped the homes and the homes actually cost only \$524,763.

10 5) One half of the difference of \$889,749 between the price paid for the
11 homes by GHP Corporation and the price paid for the homes by the Ukrainian Cabinet of
12 Ministers was transferred to accounts controlled by Lazarenko.

13 **B. The Means of Disguising and Concealing Payments of Money**

14 16. It was a part of the conspiracy that Lazarenko, while a government official in
15 Ukraine and continuing until 1999, devised a means of disguising and concealing the payment to
16 himself of money from individuals and companies doing business with Ukrainian state
17 enterprises including, but not limited to, the foregoing payments, by creating and causing the
18 creation of various shell corporations and bank accounts into which he would deposit or direct
19 the deposit of money from individuals and businesses in Ukraine and from which he would
20 transfer or direct the transfer of money to himself or to entities he controlled.

21 **1. The Swiss Bank Accounts**

22 a. In March 1993, Lazarenko opened Account No. 502.607.60L at Union Bank
23 of Switzerland in Fribourg, Switzerland in the name of LIP Handel A.G.

24 b. Beginning sometime in 1994, Kiritchenko, upon Lazarenko's instructions,
25 managed bank accounts Lazarenko established in Switzerland to receive and transfer the money
26 Lazarenko received from Kiritchenko, GHP Corporation, Agafonov, UESU, and Somolli, as
27 described above, as well as other individuals and entities doing business in Ukraine.

28 c. Kiritchenko, upon Lazarenko's instructions, opened bank accounts in Poland,

1 Switzerland, and other countries into which Kiritchenko and other individuals and companies
 2 deposited money that was corruptly and fraudulently paid for the benefit of Lazarenko. These
 3 accounts were used in part to conceal and disguise the nature, origin, location, source, ownership
 4 and control of the money that was paid for the benefit of Lazarenko and included: accounts in
 5 the name of GHP Corporation at Banque SCS Alliance (Account No. 5452) and at Banque
 6 Populaire Suisse (Account No. 823896-2); accounts in the name of ORPHIN, SA at American
 7 Bank in Poland (Account No. 61310) and at Banque Populaire Suisse (Account No. 21383); an
 8 account in the name of Bainfield Company, Ltd. at Banque SCS Alliance (Account No. 5383); an
 9 account in the name of WILNORTH, Inc. at Banque SCS Alliance (Account No. 5451); and an
 10 account in the name of PADDOX INDUSTRIES at Credit Suisse (Account No. 0251-875709-7).

11 d. Lazarenko caused money to be deposited into Kiritchenko's accounts, and
 12 further directed Kiritchenko to transfer such money into accounts controlled by Lazarenko in
 13 Switzerland. These accounts were used in part to conceal and disguise the nature, origin,
 14 location, source, ownership and control of the money that was paid for the benefit of Lazarenko,
 15 including, but not limited to, the funds described above, and these accounts included: an account
 16 in the name of KATO-82 at Credit Lyonnais (Suisse) (Account No. 08-05785-3); an account in
 17 the name of CARPO-53 at Banque SCS Alliance (Account No. 5353); an account in the name of
 18 NIHPRO at Banque Populaire Suisse (Account No. 21768), and later at Credit Suisse (Account
 19 No. 988882-52); an account in the name of Lady Lake at Bank SCS Alliance (Bahamas)
 20 (Account No. 20171); and an account in the name of Fairmont Group, Ltd. at Bank SCS Alliance
 21 (Bahamas) (Account No. 20170).

22 **2. European Federal Credit Bank in Antigua**

23 e. Between May and August of 1997, Kiritchenko and Lazarenko began
 24 negotiations to purchase and purchased a majority share of European Federal Credit Bank in St.
 25 John's, Antigua in order to facilitate the transfers of money and to further conceal and disguise
 26 the nature, origin, location, source, ownership and control of the money that was paid for the
 27 benefit of Lazarenko.

28 f. Between May and September 1997, Lazarenko transferred or caused the

1 transfer of approximately \$70,000,000 that Lazarenko had received into accounts he and
 2 Kiritchenko controlled at European Federal Credit Bank. These accounts were used in part to
 3 conceal and disguise the nature, origin, location, source, ownership and control of the money that
 4 was corruptly and fraudulently paid to and for the benefit of Lazarenko including, but not limited
 5 to, the funds described above, and these accounts included: an account controlled by Kiritchenko
 6 in the name of ORPHIN (Account No.151897); an account controlled by Lazarenko in the name
 7 of Lady Lake (Account No. 132907); an account controlled by Lazarenko in the name of
 8 Fairmont (Account No. 134936); an account controlled by Lazarenko in the name of Guardian
 9 Investments Group, Ltd. (Account No. 119648); an account controlled by Lazarenko in the name
 10 of Firststar (Account No. 133923); and a personal account of Lazarenko's (Account No. 137978).

11 **3. Transfers Into The United States**

12 17. Between 1994 and 1999, Kiritchenko and Lazarenko transferred approximately
 13 \$114,000,000 that Lazarenko had received into bank and brokerage accounts in the United States
 14 for the purpose of concealing and disguising the nature, origin, location, source, ownership and
 15 control of the money that was paid for the benefit of Lazarenko including, but not limited to, the
 16 funds described above, and included accounts at Commercial Bank of San Francisco; Pacific
 17 Bank; Merrill, Lynch, Fenner & Smith; WestAmerica Bank; Bank of America; Fleet Boston
 18 Robertson & Stephens; and Hambrecht & Quist.

19 All in violation of Title 18, United States Code, Section 1956(h).

20 **COUNTS TWO THROUGH FIVE: (18 U.S.C. § 1956(a)(2) -- Money Laundering)**

21 18. The allegations in Paragraphs One through Ten and Thirteen through Seventeen of
 22 this Superseding Indictment are hereby incorporated by reference.

23 19. On or about the specific dates set forth below, in the Northern District of California
 24 and elsewhere, the defendant

25
 26 PAVEL IVANOVICH LAZARENKO,
 27 a/k/a "Pavlo Ivanovych Lazarenko,"

28 did transport, transmit, and transfer, and attempt to transport, transmit and transfer, funds from a
 place in the United States to or through a place outside the United States, and to a place in the

United States from or through a place outside the United States, that is, the wire transfers of money as set forth below, knowing that the funds involved in the transportation, transmission, and transfers represented the proceeds of some form of unlawful activity and knowing that such transportation, transmission, and transfers were designed in whole or in part to conceal and disguise the nature, source, ownership and control of the proceeds of specified unlawful activity:

<u>COUNT</u>	<u>DATE</u>	<u>FINANCIAL TRANSACTION</u>
2	7/11/94	Wire transfer of \$1,510,000 from ABS Trading Bank of America account number 0337-6948 in San Francisco, CA, to CARPO-53 account number 5353 at Banque SCS Alliance in Geneva, Switzerland
3	8/18/94	Wire transfer of \$968,000 from ABS Trading Bank of America account number 0337-6948 in San Francisco, CA, to CARPO-53 account number 5353 at Banque SCS Alliance in Geneva, Switzerland
4	12/12/94	Wire transfer of \$1,963,000 from ABS Trading Bank of America account number 0337-6948 in San Francisco, CA, to CARPO-53 account number 5353 at Banque SCS Alliance in Geneva, Switzerland
5	1/4/95	Wire transfer of \$2,210,000 from ABS Trading Bank of America account 0337-6948 in San Francisco, CA to NIHPRO account number 21678 at Banque Populaire Suisse in Geneva, Switzerland

All in violation of Title 18, United States Code, Sections 1956(a)(2) and 2.

COUNTS SIX THROUGH EIGHT: (18 U.S.C. § 1956(a)(1)(B) – Money Laundering)

20. Paragraphs One through Ten and Thirteen through Seventeen of this Superseding Indictment are hereby incorporated by reference.

21. On or about the specific dates set forth below, in the Northern District of California and elsewhere, the defendant

PAVEL IVANOVICH LAZARENKO,
a/k/a "Pavlo Ivanovych Lazarenko,"

did knowingly conduct and attempt to conduct financial transactions affecting interstate and foreign commerce, that is, the financial transactions set forth below, which transactions involved the proceeds of a specified unlawful activity, to wit: receipt and transfer of property that was stolen, unlawfully converted, and taken by fraud in violation of 18 U.S.C. § 2314 and § 2315;

extortion as specified in 18 U.S.C. § 1956(c)(7)(B)(ii); and wire fraud in violation of 18 U.S.C. § 1343, knowing that the transactions were designed in whole or in part to conceal and disguise the nature, source, ownership and control of the proceeds of the specified unlawful activity, and knowing that the property involved in the financial transaction as set forth below represented the proceeds of some form of unlawful activity:

<u>COUNT</u>	<u>DATE</u>	<u>FINANCIAL TRANSACTION</u>
6	11/21/97	Wire transfer of \$6,000,000 from European Federal Credit bank account number 1752902 at Commercial Bank of San Francisco to European Federal Credit Bank account number H10-6694904 at Hambrecht & Quist
7	8/31/98	Cashier's check for \$6,745,000 drawn on Dugsbery, Inc.'s WestAmerica Bank account number 0506368505, deposited into First American Title Co. escrow account for the purchase of a residence located at 100 Obertz Lane, Novato, California
8	9/9 /98	A transfer of \$2,300,000 from the Dugsbery, Inc. WestAmerica bank account number 0506368505 to Dugsbery, Inc. account number 34-567156 at Bank Boston Robertson Stephens

All in violation of Title 18, United States Code, Sections 1956(a)(1)(B) and 2.

COUNTS NINE THROUGH THIRTY-^{ONE}THREE: (18 U.S.C. § 2314 --
Transportation of Stolen Property)

22. The allegations in Paragraphs One through Ten and Thirteen through Seventeen of this Superseding Indictment are hereby incorporated by reference.

23. On or about the dates set forth below, in the Northern District of California and elsewhere, the defendant

PAVEL IVANOVICH LAZARENKO,
a/k/a "Pavlo Ivanovych Lazarenko,"

did cause to be transported, transmitted, and transferred in interstate and foreign commerce, money of the value of \$5,000 or more, in the approximate amounts set forth below, knowing the money to have been stolen, converted, and taken by fraud:

<u>COUNT</u>	<u>DATE</u>	<u>ITEM TRANSFERRED</u>
9	7/1/94	Wire transfer of \$1,800,000 from LIP Handel

1 account number 502.607.60L at Union Bank of
2 Switzerland in Geneva, Switzerland to ABS Trading
account number 0337-6948 at Bank of America

3 10 5/26/97 Wire transfer of \$2,998,000 from First Trading
4 Bank's correspondent account number 500802948
5 at Commercial Joint Stock Bank Slaviansky to
6 European Federal Credit Bank correspondent
account number 645039 at Pacific Bank for credit to
European Federal Credit Bank account number
151897

7 11 5/28/97 Wire transfer of \$1,662,000 from First Trading
8 Bank's correspondent account number 500802948
9 at Commercial Joint Stock Bank Slaviansky to
10 European Federal Credit Bank correspondent
account number 645039 at Pacific Bank for credit to
European Federal Credit Bank account number
151897

11 12 5/29/97 Wire transfer of \$394,000 from First Trading
12 Bank's correspondent account number 500802948
13 at Commercial Joint Stock Bank Slaviansky to
14 European Federal Credit Bank correspondent
account number 645039 at Pacific Bank for credit to
European Federal Credit Bank account number
151897

15 13 6/3/97 Wire transfer of \$1,530,000 from First Trading
16 Bank's correspondent account number 500802948
17 at Commercial Joint Stock Bank Slaviansky to
18 European Federal Credit Bank correspondent
account number 645039 at Pacific Bank for credit to
European Federal Credit Bank account number
151897

19 14 6/2/97 Wire transfer of \$2,200,000 from First Trading
20 Bank's correspondent account number 500802948
21 at Commercial Joint Stock Bank Slaviansky to
22 European Federal Credit Bank correspondent
account number 645039 at Pacific Bank for credit to
European Federal Credit Bank account number
151897

23 15 6/4/97 Wire transfer of \$500,000 from First Trading
24 Bank's correspondent account number 500802948
25 at Commercial Joint Stock Bank Slaviansky to
26 European Federal Credit Bank correspondent
account number 645039 at Pacific Bank for credit to
European Federal Credit Bank account number
151897

27 16 6/5/97 Wire transfer of \$170,000 from First Trading
28 Bank's correspondent account number 500802948
at Commercial Joint Stock Bank Slaviansky to
European Federal Credit Bank correspondent

1 account number 645039 at Pacific Bank for credit to
2 European Federal Credit Bank account number
151897

3 17 6/6/97 Wire transfer of \$1,000,000 from First Trading
4 Bank's correspondent account number 500802948
5 at Commercial Joint Stock Bank Slaviansky to
6 European Federal Credit Bank correspondent
account number 645039 at Pacific Bank for credit to
European Federal Credit Bank account number
151897

7 18 6/9/97 Wire transfer of \$510,000 from First Trading
8 Bank's correspondent account number 500802948
9 at Commercial Joint Stock Bank Slaviansky to
10 European Federal Credit Bank correspondent
account number 645039 at Pacific Bank for credit to
European Federal Credit Bank account number
151897

11 19 6/10/97 Wire transfer of \$2,000,000 from First Trading
12 Bank's correspondent account number 500802948
13 at Commercial Joint Stock Bank Slaviansky to
14 European Federal Credit Bank correspondent
account number 645039 at Pacific Bank for credit to
European Federal Credit Bank account number
151897

15 20 6/11/97 Wire transfer of \$1,036,000 from First Trading
16 Bank's correspondent account number 500802948
17 at Commercial Joint Stock Bank Slaviansky to
18 European Federal Credit Bank correspondent
account number 645039 at Pacific Bank for credit to
European Federal Credit Bank account number
151897

19 21 6/23/97 Wire transfer of \$1,400,000 from ORPHIN
20 American Bank in Poland account number 61310 to
21 European Federal Credit Bank correspondent
account number 645039 at Pacific Bank for credit to
European Federal Credit Bank account number
151897

22 22 7/7/97 Wire transfer of \$4,500,000 from ORPHIN
23 American Bank in Poland account number 61310 to
24 European Federal Credit Bank correspondent
25 account number 1752902 at Commercial Bank for
credit to European Federal Credit Bank account
number 151897

26 23 7/11/97 Wire transfer of \$3,050,000 from ORPHIN
27 American Bank in Poland account number 61310 to
28 European Federal Credit Bank correspondent
account number 645039 at Pacific Bank for credit to
European Federal Credit Bank account number
151897

24 7/11/97

Wire transfer of \$2,602,000 from ORPHIN American Bank in Poland account number 61310 to European Federal Credit Bank correspondent account number 1752902 at Commercial Bank for credit to European Federal credit Bank account number 151897

25 7/30/97

Wire transfer of \$8,200,000 from GHP Corporation account number 5452 at Banque SCS Alliance in Geneva, Switzerland to European Federal Credit Bank account 270-0148 at Merrill Lynch Fenner & Smith

26 8/1/97

Wire transfer of \$14,000,000 from CARPO-53 account number 5353 at Banque SCS Alliance in Geneva, Switzerland to European Federal Credit Bank correspondent account number 645039 at Pacific Bank for credit to European Federal Credit Bank account number 151897

27 8/1/97

Wire transfer of \$14,000,000 from CARPO-53 account number 5353 at Banque SCS Alliance in Geneva, Switzerland to European Federal Credit Bank correspondent account number 1752902 at Commercial Bank for credit to European Federal Credit Bank account number 151897

28 11/24/97

Wire transfer of \$24,000,000 from European Federal Credit Bank account number 562927 at Credit Suisse in Geneva, Switzerland to European Federal Credit Bank account number H10-6694904 at Hambrecht & Quist

29 7/24/98

Wire transfer of \$9,000,000 from from Lady Lake account number 20171 at Banque SCS Alliance (Bahamas) to European Federal Credit Bank account number 1752902 at Commercial Bank of San Francisco

30 8/5/98

Wire transfer of \$5,300,000 from Lady Lake account number 20171 at Banque SCS Alliance (Bahamas) to Dugsbery, Inc. account number 506361809 at WestAmerica Bank

31 8/11/98

Wire transfer of \$4,000,000 from European Federal Credit Bank account number 7372101 at Bankas Hermis in Vilnius, Lithuania to Dugsbery, Inc. account number 506361809 at WestAmerica Bank

All in violation of Title 18, United States Code, Sections 2314 and 2.

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FORFEITURE ALLEGATION: (18 U.S.C. § 982 -- Criminal forfeiture)

25. The allegations contained in Counts One through Eight of this Superseding Indictment are hereby realleged and by this reference fully incorporated herein for the purpose of alleging forfeitures pursuant to the provisions of Title 18, United States Code, Section 982(a)(1).

26. As a result of the offenses alleged in Counts One through Eight, Pavel Lazarenko shall forfeit to the United States all property, real and personal, involved in such offense, or any property traceable to such property, including but not limited to, approximately \$21,696,000, constituting the laundered proceeds of interstate transportation of stolen property, including, but not limited to the following:

a. Real property and improvements located at 100 Obertz Lane, Novato, California, and more particularly described in Attachment 1, hereto; and,

b. All funds seized from account number 34-567156 at Bank Boston Robertson Stephens, in the approximate amount of \$266,307.20.

27. By virtue of the commission of the felony offense charged in Counts One through Eight of this Indictment by Pavel Lazarenko, any and all interest that Pavel Lazarenko has in the above-described property is vested in the United States and is hereby forfeited to the United States pursuant to Title 18, United States Code, Section 982(a)(1).

28. If any of the property described herein as being subject to forfeiture, as a result of any act or omission of the defendant-

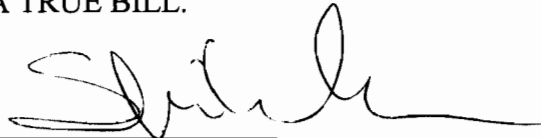
- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to or deposited with, a third person;
- c. has been placed beyond the jurisdiction of the Court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be subdivided without difficulty;

any and all interest Pavel Lazarenko has in other property shall be vested in the United States and forfeited to the United States pursuant to Title 18, United States Code, Section 982(b)(1), up to approximately \$21,696,000.

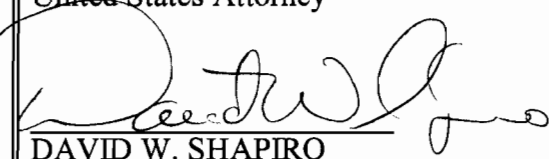
1 All in violation of Title 18, United States Code, Sections 2314, 1956(h), and 1956(a)(2).
2


3 DATED:

A TRUE BILL.

4 
5 FOREPERSON
6

7 ROBERT S. MUELLER, III
8 United States Attorney

9 
10 DAVID W. SHAPIRO
11 Chief, Criminal Division

12 (Approved as to form: )

AUSA BOERSCH